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January 3, 2001

Office of Policy,
Office of Economic, Electricity and Natural Gas Analysis, PO-21
Attention: Electric Reliability Comments
U.S. Department of Energy
Forrestal Building, Room 7H-034
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Filed via e-mail: policy.energy@hq.doe.gov

SUBJECT: Electric Reliability Comments

Dear Sir or Madam:

On behalf the Nuclear Regulatory Services Group (NRSG),[1] Hopkins & Sutter is submitting these comments in response to the Department of Energy's (DOE) Notice of Inquiry on whether to initiate rulemaking for final action to the Federal Energy Regulatory Commission (FERC) to impose mandatory electric reliability standards, as proposed November 20, 2000, at 65 Federal Register 69753. As a consortium of utilities operating nuclear generating stations, the NRSG questions the need for additional reliability regulations, particularly in light of the electric industry's focus on reliability and the related requirements and guidance already issued by the U.S. Nuclear Regulatory Commission (NRC). Should the DOE actually propose rulemaking, the NRSG will consider more substantive comments at that time.

[1] The NRSG is a consortium of seven commercial nuclear reactor licensees represented by the law firm of Hopkins & Sutter. The utility members of the NRSG own or operate 32 nuclear power reactors in the United States.

The regulatory scheme governing commercial nuclear facilities already includes extensive guidance and requirements for off-site power reliability.[2] Because of the importance of reliable off-site power to commercial nuclear plants, nuclear generators are participating in a variety of initiatives voluntarily undertaken to improve grid reliability, as described in NRC Regulatory Issue Summary 2000-24, "Concerns about Offsite Power Voltage Inadequacies and Grid Reliability Challenges Due to Industry Deregulation," dated December 21, 2000. These initiatives include a nuclear industry-wide review of steps taken to prevent grid loss or degradation being conducted by the Institute for Nuclear Power Operations; a Power Delivery Reliability Initiative underway at the Electric Power Research Institute; and reliability workshops being conducted for nuclear utilities by the Nuclear Energy Institute. This is in addition to other voluntary initiatives to improve grid reliability undertaken by the North American Electric Reliability Council.

The existing scheme of regulatory mandates and guidance, complemented by these voluntary initiatives, should be considered before any additional reliability regulations are initiated by DOE or FERC. If any such regulations are proposed, however, they should be undertaken in close coordination with the NRC so that nuclear licensees are not subjected to conflicting or duplicative federal regulation.

Please contact us if you have any questions about the NRSG's comments.

Sincerely,

Daniel F. Stenger
Robert K. Temple
Counsel for the
Nuclear Regulatory Services Group

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[2] Recent guidance documents issued by the NRC include Information Notice (IN) 98-07, "Offsite Power Reliability Challenges from Industry Deregulation," February 27, 1998; and IN 2000-06, "Offsite Power Voltage Inadequacies," March 27, 2000. Regulations applicable to commercial nuclear licensees include requirements to mitigate the consequences of a loss of off-site power in 10 C.F.R. § 50.63, and design criteria established to ensure commercial nuclear stations have redundant connections with the electric grid in 10 C.F.R. Part 50, Appendix A, General Design Criterion 17.